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DEPARTMENT OF COMMERCE

International Trade Administration

(A-580-870)

Certain Oil Country Tubular Goods from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that NEXTEEL Co., Ltd. (NEXTEEL) and SeAH Steel Corporation (SeAH) sold certain oil country tubular goods (OCTG) from the Republic of Korea (Korea) in the United States at prices below normal value during the period of review (POR) September 1, 2016, through August 31, 2017. Interested parties are invited to comment on these preliminary results.

DATES: Applicable: [INSERT DATE OF PUBLICATION IN THE *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Mike Heaney or Erin Kearney, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4475 or (202) 482-0167, respectively.

SUPPLEMENTARY INFORMATION:

Background

We published the initiation of this administrative review on November 13, 2017.¹ We selected NEXTEEL and SeAH as the two mandatory respondents in this review. For a detailed

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 52268 (November 13, 2017).

description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum, dated concurrently with these preliminary results and hereby adopted by this notice.²

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access to ACCESS is available to registered users at <https://access.trade.gov/login.aspx> and is available to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <https://enforcement.trade.gov/frn/index.html>. A list of the topics discussed in the Preliminary Decision Memorandum is attached to this notice as Appendix 1. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by the order is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the order also covers OCTG

² *See* Memorandum, "Decision Memorandum for the Preliminary Results of the 2016-2017 Administrative Review of the Antidumping Duty Order on Certain Oil Country Tubular Goods from the Republic of Korea," dated October 3, 2018 (Preliminary Decision Memorandum).

coupling stock. For the full text of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Export price and constructed export price are calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

Among the companies under review, Samsung, Samsung C and T Corporation (Samsung C&T), and SeAH Besteel Corporation (SeAH Besteel) properly filed certifications reporting that they had no exports, sales, or entries of subject merchandise to the United States during the POR.³ On September 20, 2018, we issued no-shipment inquiries to CBP to confirm the claims of no shipments by Samsung C&T and SeAH Besteel, and on October 1, 2018, we issued a no-shipment inquiry to CBP to confirm Samsung's claim of no shipments. We have not yet received CBP's response to all of our inquiries. Therefore, based on the claims of no shipments by Samsung, Samsung C&T, and SeAH Besteel, and because the record currently contains no information to the contrary, we preliminarily determine that Samsung, Samsung C&T, and SeAH Besteel had no shipments of subject merchandise. However, we intend to consider information received from CBP in response to our no-shipment inquiries for the final results of this review. Moreover, consistent with our practice, we are not preliminarily rescinding the review with

³ *See* Letter from Samsung C&T, "Oil Country Tubular Goods from Korea: Notice of No Sales," dated December 4, 2017 and Letter from SeAH Besteel, "Administrative Review of the Antidumping Order on Oil Country Tubular Goods from Korea for the 2016-17 Review Period – No Shipments Letter," dated December 13, 2017.

respect to Samsung, Samsung C&T, and SeAH Besteel, but, rather, we will complete the review with respect to these companies and issue appropriate instructions to CBP based on the final results of this review.⁴

Rates for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}."

In this review, we have preliminarily calculated weighted-average dumping margins for NEXTEEL and SeAH that are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, Commerce preliminarily has assigned to the companies not individually examined (*see* Appendix 2 for a full list of these companies) a margin of 35.25 percent, which is

⁴ See, e.g., *Certain Frozen Warmwater Shrimp from Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), *unchanged in Certain Frozen Warmwater Shrimp from Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR 51306, 51307 (August 28, 2014).

the weighted average of NEXTEEL's and SeAH's calculated weighted-average dumping margins.⁵

Preliminary Results of Review

Commerce preliminarily determines that, for the period September 1, 2016 through August 31, 2017, the following weighted-average dumping margins exist:

Producer or Exporter	Weighted-Average Dumping Margin (percent)
NEXTEEL Co., Ltd.	47.62
SeAH Steel Corporation	19.40
Non-examined companies	35.25

Disclosure, Public Comment, and Opportunity to Request a Hearing

We intend to disclose the calculations performed for these preliminary results of review to interested parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, the content of which is limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.⁶ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁷ Case and rebuttal briefs should be filed using

⁵ For more information regarding the calculation of this margin, *see* Memorandum, "Preliminary Results of the 2016-2017 Administrative Review of Certain Oil Country Tubular Goods from the Republic of Korea; Calculation of the Margin for Non-Examined Companies," dated October 3, 2018. As the weighting factor, we relied on the publicly ranged sales data reported in NEXTEEL's and SeAH's quantity and value charts.

⁶ *See* 19 CFR 351.309(d).

⁷ *See* 19 CFR 351.309(c)(2) and (d)(2).

ACCESS⁸ and must be served on interested parties.⁹ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically *via* Commerce's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days of the date of publication of this notice.¹⁰ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹¹ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless extended.¹²

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

⁸ See generally 19 CFR 351.303.

⁹ See 19 CFR 351.303(f).

¹⁰ See 19 CFR 351.310(c).

¹¹ See 19 CFR 351.310(d).

¹² See section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

For any individually examined respondent whose weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, if the respondent reported reliable entered values, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made to each importer and the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported reliable entered values, we will calculate a per-unit assessment rate for each importer by dividing the total amount of dumping calculated for the examined sales made to that importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is zero or *de minimis* in the final results of review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If a respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”¹³

For entries of subject merchandise during the POR produced by NEXTEEL or SeAH for which the producer did not know its merchandise was destined for the United States, or for any respondent for which we have a final determination of no shipments, we will instruct CBP

¹³ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁴

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for the companies listed in the final results of review will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will continue to be 5.24 percent,¹⁵ the all-others rate established in the less-than-fair-value investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior

¹⁴ See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁵ See *Certain Oil Country Tubular Goods from the Republic of Korea: Notice of Court Decision Not in Harmony With Final Determination*, 81 FR 59603 (August 30, 2016).

to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

Commerce is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 3, 2018

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

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4. Preliminary Determination of No Shipments
5. Rates for Non-Examined Companies
6. Duty Absorption
7. Duty Reimbursement
8. Affiliation
9. Discussion of the Methodology
10. Currency Conversion
11. Recommendation

Appendix II

List of Companies Not Individually Examined

AJU Besteel Co., Ltd.
BDP International
Daewoo International Corporation
Daewoo America
Dong-A Steel Co. Ltd.
Dong Yang Steel Pipe
Dongbu Incheon Steel
DSEC
Erndtebruecker Eisenwerk and Company
Hansol Metal
Husteel Co., Ltd.
HYSCO
Hyundai RB
Hyundai Steel Co., Ltd.
Hyundai Steel Company¹⁶
ILJIN Steel Corporation
Jim And Freight Co., Ltd.
Kia Steel Co. Ltd.
KSP Steel Company
Kukje Steel
Kurvers
POSCO Daewoo Corporation
POSCO Daewoo America
Steel Canada
Sumitomo Corporation
TGS Pipe
Yonghyun Base Materials
ZEECO Asia

¹⁶ On September 21, 2016, Commerce published the final results of a changed circumstances review with respect to OCTG from Korea, finding that Hyundai Steel Corporation is the successor-in-interest to Hyundai HYSCO for purposes of determining antidumping duty cash deposits and liabilities. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review: Oil Country Tubular Goods from the Republic of Korea*, 81 FR 64873 (September 21, 2016). Hyundai Steel Corporation is also known as Hyundai Steel Company and Hyundai Steel Co. Ltd.

